GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2156
ANSWERED ON:30.11.2007
MISMANAGEMENT IN LIC
Mehta Shri Alok Kumar;Yadav Shri Ram Kripal

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware about mismanagement in Life Insurance Corporation of India (LIC) on account of collection of Premium through outstation cheques;

(b) whether LIC is charging heavy extra money from the policy holder for depositing the premium through outstetion cheques;

(c) if so, the details thereof; and

(d) the action taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance (Shri Pawan Kumar Bansal)

(a): The Life Insurance Corporation of India (LIC) has reported that there is no mismanagement in LIC on account of collection of premium through outstation cheques. In fact, LIC accepts outstation cheques towards premium payment for policyholders` convenience.

(b), (c) & (d): LIC has further reported that the policyholders do not have to pay any bank charges, if premium is paid through outstation cheque in the Branch where the policy is serviced. However, where the policyholder is paying the premium through outstation cheque other than the servicing Branch, actual bank charges plus a handling charge of Rs.20/- per instrument is levied on the policyholder.